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SERVICE DATE - AUGUST 16, 2001

DO

FR-4915-00-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34078]

Carrizo Gorge Railway Inc.—Operation Exemption—Line of San Diego and Arizona
Eastern Railway Company and San Diego & Imperial Valley Railroad Company, Inc.

Carrizo Gorge Railway Inc. (CZRY), a noncarrier, has filed a notice of exemption under 49 CFR 1150.31 to operate approximately 6.2 miles of rail line currently owned by San Diego and Arizona Eastern Railway Company (SD&AE) and controlled through management by San Diego & Imperial Valley Railroad Company, Inc. (SDIY). The rail line extends between the International Border between the United States and Mexico, milepost 59.60 at Division, CA, and milepost 65.80 at Campo, CA (subject line).¹

CZRY states that, for 17 years until July 1, 2001, pursuant to an operation and management agreement with SD&AE, SDIY provided freight service over a rail line that extends a distance of approximately 130 miles between San Diego, CA, and a point near Plaster City, CA (the San Diego-Plaster City line), including the Tijuana and Tecate

¹ SD&AE is owned by the San Diego Metropolitan Transit Development Board, a noncarrier public agency which operates light rail passenger transit service over a portion of the San Diego-Plaster City line between San Diego, CA, and the International Border between the United States and Mexico at San Ysidro, CA/Tijuana, MX.

See San Diego & Imperial Valley Railroad Company, Inc.-Exemption From 49 U.S.C. 10901 and 11301, Finance Docket No. 30457 (ICC served Aug. 17, 1984).

Railroad (T&T), with approximately 45 miles of that line located in Mexico.² See San Diego & Imperial Valley R. Co., Inc.—Exemption, 1 I.C.C.2d 941 (1985). CZRY further states that, effective July 1, 2001, a unit of the Mexican government awarded it the right to operate the T&T.

CZRY indicates that it and SDIY have entered into an Interchange Agreement (Agreement), as of June 28, 2001, whereby CZRY is authorized to operate the subject line for the purpose of interchanging traffic that originated or will terminate in Mexico with SDIY. CZRY has been operating over the subject line pursuant to that Agreement since July 1, 2001. CZRY further indicates that, since late May 2001, it has been transporting sand over the subject line pursuant to a CZRY-SDIY Detour Agreement dated May 25, 2001.

CZRY asserts that it only recently became aware that its operations over the subject line required authority from the Board or an exemption, and that it has acted diligently in filing its notice of exemption upon learning of such requirement. CZRY certifies that its projected revenues will not exceed those that would qualify it as a Class III rail carrier and that its revenues are not projected to exceed \$5 million.

The transaction was scheduled to be consummated on or shortly after August 1, 2001 (7 days after the exemption was filed).

² The Board has no jurisdiction over track located in Mexico. Id. at n.3.

If the notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34078, must be filed with the Surface Transportation Board, Office of the Secretary, Case Control Unit, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Thomas F. McFarland, 208 South LaSalle Street, Suite 1890, Chicago, IL 60604-1194.

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Decided: August 9, 2001.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary